

EXHIBIT A

CFPB and Seven State Attorneys General Sue Debt-Relief Enterprise, Strategic Financial Solutions, for Illegally Swindling More Than \$100 Million from Financially Struggling Families

English

[Español \(cfpb.gov/about-us/newsroom/cfpb-y-7-estados-demandan-a-compania-de-alivio-de-deudas/\)](https://cfpb.gov/about-us/newsroom/cfpb-y-7-estados-demandan-a-compania-de-alivio-de-deudas/)

Ryan Sasson and Jason Blust run an illegal enterprise that collects fees but delivers little relief

JAN 19, 2024

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) and seven state attorneys general sued Strategic Financial Solutions (SFS) and its web of shell companies for running an illegal debt-relief enterprise. The CFPB and state attorneys general also sued the chief architects of the illegal enterprise, Ryan Sasson and Jason Blust. The CFPB and attorneys general allege the enterprise has collected hundreds of millions of dollars in exorbitant, illegal fees from vulnerable consumers. The CFPB and attorneys general filed the suit under seal on January 10, 2024. They are requesting the court to order a stop to the enterprise's illegal actions, order redress for consumers, and impose a civil money penalty. The seven states joining with the CFPB are Colorado, Delaware, Illinois, Minnesota, New York, North Carolina, and Wisconsin.

"The operators of this scheme established a network of shell companies and law firms to hide their illegal activities from law enforcement," said CFPB Director Rohit Chopra. "The CFPB and state attorneys general are seeking to shut down this outfit's illegal activity."

"Consumers who were struggling financially and may well have been desperate to reduce their debts turned to the defendants for help. Instead, they were exploited, leaving them

even worse off,” said Colorado Attorney General Phil Weiser. “I won’t hesitate to hold accountable anyone who seeks to deceive or harm consumers, especially when those harmed are experiencing financial hardship.”

“The architects of this fraud deliberately and knowingly preyed on vulnerable Delawareans,” said Delaware Attorney General Kathy Jennings. “This elaborate web of fraud was designed to ensnare, exploit, and obfuscate – all in the name of profit over people. We’re not letting them get away with it. I’m grateful to the CFPB and to our sister states for standing up for the victims of this scheme.”

“Consumers who are struggling financially and trying to pay down their debt need real help, not false promises and predatory fees,” Illinois Attorney General Kwame Raoul said. “I would like to thank the CFPB for their continuous partnership as we work to protect the public from fraud and deceptive business practices.”

“Consumers came to Strategic Financial Solutions for help getting out of debt and instead of receiving that help, they were ripped off. Preying on people in debt is as reprehensible as it gets,” said Minnesota Attorney General Keith Ellison. “I am glad to be partnering with the Consumer Financial Protection Bureau and other attorneys general to put a stop to Strategic Financial Solutions’ illegal and unethical behavior and return money to the people they scammed.”

“People can fall into debt, but New Yorkers – and all Americans – should not face even greater financial hardship when they attempt to seek help,” said New York Attorney General Letitia James. “StratFS, Sasson, and Blust preyed on hardworking consumers and charged illegal fees to unjustly enrich themselves and their business. Let this lawsuit serve as a warning to all who would follow in their footsteps: we can and will use the full force of the law to stop predatory schemes and protect consumers. I want to thank CFPB and my fellow attorneys general for their continued partnership in protecting hardworking Americans.”

“North Carolinians were looking for help with their debts,” said North Carolina Attorney General Josh Stein. “Instead, they got scammed by these fraudulent law firms and lost even more money. I will do everything in my power to hold accountable organizations that break the law and take advantage of vulnerable people.”

Strategic Financial Solutions markets itself as providing debt relief services. It has offices in New York City and Buffalo, New York. Ryan Sasson is the chief executive officer of SFS. SFS sits at the top of a web of shell companies and façade law firms, which are controlled by Sasson and fellow scheme architect Jason Blust.

SFS runs an alleged scheme, involving dozens of entities, to dupe consumers and regulators. The company uses third parties to target financially vulnerable consumers with advertisements. The advertisements lead consumers to believe they may qualify for loans to help pay down debts. SFS employees then discuss these loans with consumers over the phone. Though SFS tells most, if not all, consumers that they do not qualify for the

advertised loans, SFS encourages consumers to enroll in its debt-relief services. SFS promises that its network of law firms and lawyers will negotiate lower debt amounts.

SFS provides little, if any, debt-relief services. SFS requires customers to make immediate payments into an escrow account. Long before it settles any debts, however, SFS collects the fees from the escrow account. While the illegal fees and false claims of legal assistance leave consumers worse off, Sasson and Blust pad their pockets through their web of shell companies that siphon the fees from the escrow accounts.

The CFPB and seven state attorneys general allege the actions of SFS violate the Telemarketing Sales Rule. The lawsuit also alleges violations of New York and Wisconsin state laws. Specifically, the complaint alleges that SFS harms consumers by:

- **Charging illegal advance fees:** SFS charges and collects fees before any of a consumer's debts have been settled. SFS charges pre-determined fee amounts without any connection to actual settlements or debt-relief savings. Since 2016, SFS and its façade firms have collected over \$100 million from consumers before any debt-relief payments to these consumers' creditors.
- **Falsely claiming lawyers will provide debt relief:** SFS leads consumers to think that contracted law firms will negotiate lower payoff amounts. However, the firms serve as a façade, and SFS and its employees, who are not lawyers, conduct the debt-relief negotiations, if any take place.

Enforcement Action

Under the Consumer Financial Protection Act, the CFPB has the authority to take action against nonbank financial institutions, including debt-relief companies, for violating consumer financial protections laws and rules, including the Telemarketing Sales Rule. The lawsuit seeks to stop SFS's alleged unlawful conduct, require SFS to make harmed consumers whole, and require SFS to pay a civil money penalty, which would be deposited in the [CFPB's victims relief fund](https://cfpb.gov/enforcement/payments-harmed-consumers/civil-penalty-fund/) (cfpb.gov/enforcement/payments-harmed-consumers/civil-penalty-fund/).

The CFPB filed its complaint and requested a temporary restraining order and preliminary injunction in the U.S. District Court for the Western District of New York on January 10, 2024. The court granted the request for a temporary restraining order on January 11, 2024.

[Read the complaint filed on January 10, 2024.](https://cfpb.gov/enforcement/actions/stratfs-llc-fka-strategic-financial-solutions-llc-et-al/) (cfpb.gov/enforcement/actions/stratfs-llc-fka-strategic-financial-solutions-llc-et-al/)

[Learn more about debt relief programs.](https://cfpb.gov/askcfpb/1457) (cfpb.gov/askcfpb/1457)

Consumers can submit complaints about financial products and services by visiting the [CFPB's website](https://cfpb.gov/complaint/) (cfpb.gov/complaint/) or by calling (855) 411-CFPB (2372).

Employees who believe their companies have violated federal consumer financial protection laws are encouraged to send information about what they know to whistleblower@cfpb.gov. To learn more about reporting potential industry misconduct, visit the [CFPB's website](https://cfpb.gov/enforcement/information-industry-whistleblowers/) (cfpb.gov/enforcement/information-industry-whistleblowers/).

Colorado consumers who believe they have been victimized by phony debt-relief schemes should file a complaint with the Colorado Attorney General's Office at [StopFraudColorado.gov](https://stopfraudcolorado.gov/) [↗](https://stopfraudcolorado.gov/) (https://stopfraudcolorado.gov/).

Illinois residents who believe they have been the victim of fraud can file a complaint on the [Attorney General's website](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.illinoisattorneygeneral.gov%2Ffile-a-complaint%2Fconsumer%2F&data=05%7C02%7CAnson.Purdy%40cfpb.gov%7C5ca9bf69e3f94bc5f09408dc126442d5%7Cc817bf69ef414ed6ac5f1f44da3798c0%7C0%7C0%7C638405469077226411%7CUnknown%7CTWFpbiZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBtil6lk1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=qGAfiOcyCPsklavdhqU%2FjZOYJCEWrxFMwsHe%2Fd%2F4OFA%3D&reserved=0) [↗](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.illinoisattorneygeneral.gov%2Ffile-a-complaint%2Fconsumer%2F&data=05%7C02%7CAnson.Purdy%40cfpb.gov%7C5ca9bf69e3f94bc5f09408dc126442d5%7Cc817bf69ef414ed6ac5f1f44da3798c0%7C0%7C0%7C638405469077226411%7CUnknown%7CTWFpbiZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBtil6lk1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=qGAfiOcyCPsklavdhqU%2FjZOYJCEWrxFMwsHe%2Fd%2F4OFA%3D&reserved=0) (https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.illinoisattorneygeneral.gov%2Ffile-a-complaint%2Fconsumer%2F&data=05%7C02%7CAnson.Purdy%40cfpb.gov%7C5ca9bf69e3f94bc5f09408dc126442d5%7Cc817bf69ef414ed6ac5f1f44da3798c0%7C0%7C0%7C638405469077226411%7CUnknown%7CTWFpbiZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBtil6lk1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=qGAfiOcyCPsklavdhqU%2FjZOYJCEWrxFMwsHe%2Fd%2F4OFA%3D&reserved=0). Consumers can also call one of the Illinois Attorney General's Consumer Fraud Hotlines:

- 1-800-386-5438 (Chicago)
- 1-800-243-0618 (Springfield)
- 1-800-243-0607 (Carbondale)
- 1-866-310-8398 (Spanish-language hotline)

Any North Carolinian who believes they have been a victim of a debt-relief provider should report it to North Carolina Attorney General Josh Stein's Office at www.ncdoj.gov/complaint [↗](https://www.ncdoj.gov/complaint) (http://www.ncdoj.gov/complaint).

The Consumer Financial Protection Bureau is a 21st century agency that implements and enforces Federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive. For more information, visit www.consumerfinance.gov (http://www.consumerfinance.gov/).

Topics

- **ENFORCEMENT** (CFPB.GOV/ABOUT-US/NEWSROOM/?TOPICS=ENFORCEMENT)
- **DEBT COLLECTION** (CFPB.GOV/ABOUT-US/NEWSROOM/?TOPICS=DEBT-COLLECTION)

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